

Rochester Land Bank Corporation

Meeting Minutes

March 19, 2015

City Hall, Rm. #223-B

30 Church Street,

Rochester, NY 14614

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, Kate Washington, Carol Wheeler

Board Members Absent: George Parker

Non-Board Members Present: Maritza Mejias, Rianne Mitchell, Kathy Sheets, Tom Warth

The meeting was called to order at 3:04 pm by Carol Wheeler, Board Chair.

The minutes from the last meeting were distributed. Andrea Guzzetta moved that the minutes be approved. Gary Kirkmire seconded. The motion was approved by the board.

The board discussed Resolution No. 2 of 2015 to authorize the Executive Director to enter in to the operating agreements required to conduct the CRI grant program's Round 2 participation in HOME Rochester and Neighborhood Builders. Gary Kirkmire asked what the desired outcomes are for the Round 2 funding. Kathy Sheets explained that the extension to the term of the agreement with the RHDFC provides for a total of 65 properties to be rehabilitated through HOME Rochester, adding fifteen to the original goal of 50 properties that was set for the Round 1 funding. The contract with the Greater Rochester Housing Partnership provides subsidy for six single-family homes to be constructed for sale to owner-occupants meeting income requirements through the Neighborhood Builders program. Dana Miller asked whether, as the cost for the newly constructed homes would be higher than those for HOME Rochester, the purchase price would be higher as well. The sales price will largely be determined by the property location and will likely be comparable to HOME Rochester properties in the same neighborhood. While the costs for new construction will be higher, the Land Bank's contribution is capped at the same level of subsidy provided to HOME Rochester properties in CRI Round 1. Tom Warth asked what other funding sources would contribute to Neighborhood Builders. In addition to the Land Bank, both the City of Rochester and the New York State Affordable Housing Corporation have committed funding. Gary Kirkmire moved that the board approve the resolution authorizing the two operating agreements. Dana Miller seconded. The board approved the resolution.

Next was a discussion of Resolution No. 3 of 2015 to amend Resolution No. 34 of 2014 to accept donation of 78 Glendale Park. Tom Warth explained that while Wells Fargo originally intended to demolish the structure on the property prior to donating it to the Land Bank, the bank has now offered to increase the cash accompaniment to \$34,000 to cover costs of demolition. Gary Kirkmire asked whether the lot was intended to stay in Land Bank inventory, if so, whether accepting the property with the structure will pose a problem. Kathy Sheets answered that the property was always intended to be transferred to the City to be held for lot assembly for a possible second phase of the successful Holy Rosary development in the Dewey/Driving Park FIS area. Gary then asked whether this will extend the timeline for demolition of the property. Kathy answered that the City's Manager of

Technical Services indicated that the bid process for the demolition could begin immediately following the transfer of ownership to the City. The hope is to include it as one of the properties being demolished as part of the Strategic Blight Removal program. Kate Washington moved that the Land Bank accept the amended terms of the property donation. Gary Kirkmire seconded the motion. The board approved the resolution.

Resolution No. 4 of 2015 to authorize the expenditure for the Land Bank board and staff to attend the Reclaiming Vacant Property conference in Detroit, Michigan was next discussed. Andrea Guzzetta asked whether there was adequate funding for the entire board to attend. Tom Warth explained that some of the funding awarded for Round 2 of the CRI was earmarked for board and staff training and that those funds would be adequate for the board and designated staff members to attend. Kim Jones moved that the resolution to fund this training be approved. Gary Kirkmire seconded the motion. The board approved the resolution.

Before giving the Treasurer's Report, Kim Jones commended Board Chair Carol Wheeler on her presentation of the annual report to City Council. Kim explained that both the CRI grant report and the Treasurer's Report had been expanded to include the new categories of funding that had been awarded for Round 2 of the CRI grant. As the Land Bank just received the executed grant contract this quarter, the only Round 2 funds expended to date were the expanded staffing reimbursement. Kim then gave an update on the revised financial statements. A draft of the statements has already been prepared and she has written a response to Freed Maxick's management letter. Freed Maxick's opinion will describe the cause for the revision as a "Significant Deficiency" rather than a "Material Misstatement." While the latter indicates that the process that is in place to prevent errors is broken, the former indicates that the process is sound, but it was not followed in a particular case. Kathy Sheets asked whether the confusion about the grant was due to a timing issue (i.e. – the City holding Land Bank funds in trust until an independent bank account for the Land Bank could be established). Kim Jones answered that timing was not the issue; it was a matter of staff clarity on the Land Bank's status as a new type of public authority. Kathy Sheets noted that it would be helpful to have the revised financial statements when preparing the Financial Plan for the Public Authority Board. Kim believed that they would be complete long before that due date. Tom Warth volunteered to look into whether there might be any other Public Authority reporting requirements for the revision.

The board next discussed the ongoing action plan. Carol Wheeler noted that the self-imposed deadline for identifying acquisitions for the Round 1 CRI grant was June 30, 2015. Kathy Sheets expressed the opinion that while the Land Bank will have no trouble meeting the grant terms by the actual December deadline, identifying the remaining ten properties by June may be somewhat optimistic, as staff is currently targeting privately-owned vacant, blighted properties. These properties are more difficult to acquire for many reasons. Carol asked Gary Kirkmire for an update on the status of negotiations with Bank of America. Gary Kirkmire noted that the most recent conference call with Bank of America identified six properties in foreclosure with federally-backed mortgages for which the bank has requested the requirement of transferring ownership to HUD be bypassed so that they can be donated to either the Land Bank or the City. The next meeting with Judge Doyle should result in 45 properties on which Bank of America has begun the foreclosure process being added to his docket. Kate Washington noted that the shape that the Land Bank's pursuit of additional state funding may take is inclusion in the Consolidated Funding Application (CFA) and the Upstate Revitalization Initiative Competition through the Regional Economic Development Council. Tom Warth asked whether the CFA is an annual process. He also asked whether the Regional Economic Development Council had a Housing Committee that the Land

Bank could petition. Kate Washington explained that there is a poverty reduction committee of which she is a member. She recommended that the Land Bank make a case for inclusion based how it contributes to poverty reduction. Kathy Sheets noted that as job creation was a primary criterion for previous CFA projects, it may not be the most appropriate ask for the Land Bank. Kate agreed and noted that Land Bank inclusion in the Upstate Revitalization Initiative competition is an easier lift as the Land Bank can be positioned as a transformational program to reduce poverty. Carol Wheeler gave an update that the working group to organize the Land Bank's Visioning Meeting with the Community Advisory Group is planning for a morning meeting in mid-April and will provide the members of the Group with an overview of the activities the Land Bank has already undertaken prior to the meeting so that the bulk of the time can be devoted to generating ideas for future activities. Regarding the Reclaiming Vacant Properties conference, Kim Jones mentioned that City Councilmember Jackie Ortiz would be on one of the panels discussing tax lien sales.

Kathy Sheets provided an overview of the legislative agenda the New York Land Bank Association members would be traveling to Albany to support. The Association has developed a proposal comprising a number of capacity building and cost-saving changes to the Land Bank Act and access to funding opportunities through the Environmental Remediation Program that will be more beneficial to those land banks that do not receive the level of support provided to our Land Bank by the City. However, if the board has no objection, it would show solidarity if the Rochester Land Bank made an effort to support the proposal at some level. Tom Warth noted that the elimination of the 90-day holding period for property valued at more than \$100,000 would probably have the most local impact. Andrea Guzzetta suggested that if the Land Bank would be engaging in lobbying in the future, it may make sense to modify the Shared Services agreement with the City to include lobbying. Kathy Sheets asked the board members at what level they would like her to engage legislators to support the Association's legislative proposal and asked the Land Bank's legal advisor what the legal implications of any such actions would be. Kathy next provided a copy of a press release the Albany County Land Bank has prepared to advocate for a collective award of \$1 billion to the ten Land Bank's across the state from the \$5 billion in mortgage settlement funds. Members of the association have advocated for a similar release to be issued by all the constituent Land Banks as part of a state-wide push. She asked if the release conflicted with anyone's knowledge of the City's objectives, and if the board would be in favor of issuing such a release if there were no such conflict. Carol Wheeler and Kate Washington emphasized the importance of making the mayor aware of the Land Bank's objectives and goals prior to any independent action. Andrea Guzzetta said that she would be comfortable with a press release of that sort, subject to the law and the mayor's approval. Kathy Sheets asked what the timeline was for the Upstate Revitalization Initiative. Kate Washington answered that the application process was currently underway and that any decisions would need to be made prior to the next board meeting. Kathy asked if the board would like to make a resolution to support both the legislative changes proposed by the NY Land Bank Association and to make a public request for consideration for funding. Andrea Guzzetta and Kate Washington expressed a preference to review a written resolution and approve it via email prior to the next board meeting. Tom Warth volunteered to prepare the resolution after reviewing the legal implications around engaging state legislators on the Land Bank's behalf.

Carol Wheeler asked the board to review the items listed under "Potpourri Discussion" prior to the next meeting. In particular, she asked what arrangements should be made for the May meeting as the Reclaiming Vacant Properties Conference will be underway on the currently scheduled date.

The meeting was adjourned at 4:19 pm.

ATTEST: George Parker
George Parker – Secretary, Rochester Land Bank Corporation